

**AGENDA OF A REGULAR MEETING - SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY**



**COUNCIL CHAMBERS
CIVIC CENTER
1243 National City Blvd.
National City, California**

TUESDAY, JANUARY 16, 2018 – 6:00 PM

RON MORRISON
Chairman

JERRY CANO
Boardmember

ALBERT MENDIVIL
Boardmember

MONA RIOS
Boardmember

ALEJANDRA SOTELO-SOLIS
Boardmember

**1243 National City Blvd.
National City
619-336-4240**

**Meeting agendas and
minutes available on web**

WWW.NATIONALCITYCA.GOV

ORDER OF BUSINESS: Public sessions of all Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency begin at 6:00 p.m. on the first and third Tuesday of each month. Public hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted on the agenda. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda.

REPORTS: All regular meeting agenda items and reports as well as all documents and writings distributed to the Board less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Board are webcast and archived on the City's website **www.nationalcityca.gov**.

PUBLIC COMMENTS: Prior to the Business portion of the agenda, the Board will receive public comments regarding any matters within the jurisdiction of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency. Members of the public may also address any item on the agenda at the time the item is considered by the Board. Persons who wish to address the Board are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

WRITTEN AGENDA: With limited exceptions, the Board may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

CONSENT AGENDA: Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of the agenda and separately considered, upon request of a Councilmember, a staff member, or a member of the public.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Spanish audio interpretation is provided during Board Meetings. Audio headphones are available in the lobby at the beginning of the meeting.

Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audiófonos están disponibles en el pasillo al principio de la junta.

THE BOARD REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING BOARD MEETINGS.

SUCCESSOR AGENCY AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)

CONSENT CALENDAR

1. [Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of December 19, 2017. \(City Clerk\)](#)
2. [Successor Agency Warrant Register #21 for the period of 11/15/17 through 11/21/17 in the amount of \\$0.00. \(Finance\)](#)
3. [Successor Agency Warrant Register #22 for the period of 11/22/17 through 11/28/17 in the amount of \\$1,812.80. \(Finance\)](#)
4. [Successor Agency Warrant Register #23 for the period of 11/29/17 through 12/05/17 in the amount of \\$0.00. \(Finance\)](#)

PUBLIC HEARINGS

NON CONSENT RESOLUTIONS

5. [Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Adopting the Recognized Obligation Payment Schedule \(ROPS\) for the Period July 1, 2018 through June 30, 2019 \(ROPS 18-19\) with Expenditures Totaling \\$10,660.702.](#)

NEW BUSINESS

STAFF REPORTS

MEMBER REPORTS

CLOSED SESSION REPORT

ADJOURNMENT

Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency - Tuesday -

February 6, 2018 - 6:00 p.m. - Council Chambers - National City,
California.

The following page(s) contain the backup material for Agenda Item: Approval of the Minutes of the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of December 19, 2017. (City Clerk)

Item #____

01/16/18

**APPROVAL OF THE MINUTES OF THE
REGULAR MEETING OF THE SUCCESSOR
AGENCY TO THE COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY OF
DECEMBER 19, 2017.**

(City Clerk)

DRAFT DRAFT DRAFT

**MINUTES OF THE REGULAR MEETING OF THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY**

December 19, 2017

The Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 10:42 p.m. by Chairman Ron Morrison.

ROLL CALL

Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Administrative Officials present: Dalla, Deese, Raulston, Morris-Jones, Stevenson.

PUBLIC COMMENTS – None.

CONSENT CALENDAR

ADOPTION OF CONSENT CALENDAR. Item No. 1 (Minutes), Item No. 2 (Report), Item Nos. 3 and 4 (Warrant Registers). Motion by Rios, seconded by Sotelo-Solis, to approve the Consent Calendar. Carried by unanimous vote.

APPROVAL OF MINUTES (103-02-01)

1. Approval of the Minutes of the Regular Meetings of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency of November 21, 2017 and December 5, 2017. (City Clerk)

ACTION: Approved. See above.

SUCCESSOR AGENCY 2017 (406-10-15)

2. Investment Report for the quarter ended September 30, 2017. (Finance)

ACTION: Approved. See above.

3. Successor Agency Warrant Register #19 for the period of 11/01/17 through 11/07/17 in the amount of \$0.00 (Finance)

ACTION: Approved. See above.

4. Successor Agency Warrant Register #20 for the period of 11/08/17 through 11/14/17 in the amount of \$0.00. (Finance)

ACTION: Approved. See above.

NON CONSENT RESOLUTIONS

SUCCESSOR AGENCY 2017 (406-10-15)

5. Resolution No. 2017-93. RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY AUTHORIZING AN APPROPRIATION INCREASE OF \$297,655 TO THE SUCCESSOR AGENCY'S FISCAL YEAR 2018 BUDGET RELATED TO THE COSTS OF ISSUANCE FOR THE 2017 TAX ALLOCATION REFUNDING BONDS OFFSET BY THE RECEIPT OF BOND PROCEEDS. (Finance)

RECOMMENDATION: Adopt the Resolution.

TESTIMONY: None.

ACTION: Motion by Sotelo-Solis, seconded by Mendivil, to approve the Resolution. Carried by unanimous vote.

NEW BUSINESS

STAFF REPORTS

MEMBER REPORTS

CLOSED SESSION REPORT

ADJOURNMENT

Motion by Sotelo-Solis, seconded by Cano, to adjourn the meeting to the Regular Meeting of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency - Tuesday – January 16, 2018 - 6:00 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

The meeting closed at 10:43 p.m.

Secretary

The foregoing minutes were approved at the Regular Meeting of January 16, 2018.

Chairman

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #21 for the period of 11/15/17 through 11/21/17 in the amount of \$0.00. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 16, 2018

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #21 for the period of 11/15/17 through 11/21/17 in the amount of \$0.00. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: _____

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

No Successor Agency Warrants issued for the period of 11/15/17 – 11/21/17.

FINANCIAL STATEMENT:

APPROVED: Mark Ralento **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

Reimbursement total \$0.00.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$0.00.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #21



**SUCCESSOR AGENCY
WARRANT REGISTER #21
11/21/2017**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
	NO WARRANTS PROCESSED TO SUCCESSOR AGENCY FOR THE WEEK OF 11/15/2017 - 11/21/2017			
			A/P Total	\$ -
			Total disbursements paid with City's Funds	
			GRAND TOTAL	\$ -

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #22 for the period of 11/22/17 through 11/28/17 in the amount of \$1,812.80. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 16, 2018

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #22 for the period of 11/22/17 through 11/28/17 in the amount of \$1,812.80. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: _____

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, all check-paid expenses of the Successor Agency are paid by the City. The Successor Agency then reimburses the City. Successor Agency wires are paid directly from the Successor Agency account.

Attached is a detailed listing of all Successor Agency expenses for the period, which total \$1,812.80. Staff requests approval of payments of Successor Agency expenses.

FINANCIAL STATEMENT:

APPROVED: Mark Ralento **Finance**

ACCOUNT NO.

APPROVED: _____ **MIS**

Reimbursement total \$1,812.80

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$1,812.80

BOARD / COMMISSION RECOMMENDATION:

ATTACHMENTS:

Successor Agency Warrant Register #22



**SUCCESSOR AGENCY
WARRANT REGISTER #22
11/28/2017**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
GEOSYNTEC CONSULTANTS INC	EDUCATION VILLAGE RED. PROJECT	331811	11/28/17	1,812.80

A/P Total \$ **1,812.80**

Total disbursements paid with City's Funds

WIRES

GRAND TOTAL \$ **1,812.80**

The following page(s) contain the backup material for Agenda Item: Successor Agency Warrant Register #23 for the period of 11/29/17 through 12/05/17 in the amount of \$0.00. (Finance)

**SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 16, 2018

AGENDA ITEM NO. |

ITEM TITLE:

Successor Agency Warrant Register #23 for the period of 11/29/17 through 12/05/17 in the amount of \$0.00. (Finance)

PREPARED BY: K. Apalategui
PHONE: 619-336-4572

DEPARTMENT: Finance

APPROVED BY: _____

EXPLANATION:

Pursuant to ABX1 26, all redevelopment agencies in the State of California were dissolved as of February 1, 2012. Upon dissolution of the City of National City's Redevelopment Agency, the City assumed the role of Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency").

In order to streamline the payment process, the City pays all expenses of the Successor Agency. The Successor Agency then reimburses the City.

No Successor Agency Warrants issued for the period of 11/29/17 – 12/05/17.

FINANCIAL STATEMENT:

APPROVED: Mark Ralento Finance

ACCOUNT NO.

APPROVED: _____ MIS

Reimbursement total \$0.00.

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: ☐ **FINAL ADOPTION:** ☐

STAFF RECOMMENDATION:

Ratification of reimbursement in the amount of \$0.00.

BOARD / COMMISSION RECOMMENDATION:

N/A

ATTACHMENTS:

Successor Agency Warrant Register #23



**SUCCESSOR AGENCY
WARRANT REGISTER #23
12/5/2017**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
	NO WARRANTS PROCESSED TO SUCCESSOR AGENCY FOR THE WEEK OF 11/29/2017 - 12/05/2017			
			A/P Total	\$ -
			Total disbursements paid with City's Funds	
			GRAND TOTAL	\$ -

The following page(s) contain the backup material for Agenda Item: Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Adopting the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) wit

**THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 16, 2018

AGENDA ITEM NO. _____

ITEM TITLE:

Resolution of the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Adopting the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) with Expenditures Totaling \$10,660,702.

PREPARED BY: Brad Raulston, Executive Director

DEPARTMENT: Successor Agency

PHONE: (619) 336-4256

APPROVED BY: _____

EXPLANATION:

Effective February 1, 2012, all redevelopment agencies in California were dissolved and "successor agencies" were established to wind down the affairs of the former redevelopment agencies under the direction of oversight boards. Health and Safety Code Section 34177 requires successor agencies to perform a number of functions, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each successor agency must submit the ROPS to its oversight board for approval, after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller's Office.

Before the Successor Agency today is the proposed ROPS for the period July 1, 2018 through June 30, 2019 (ROPS 18-19), in which a total of \$10.7 million in expenditures is itemized. Staff recommends approval of this ROPS for submittal to the Oversight Board. Upon the Oversight Board's approval, it will be submitted to the State Department of Finance and other agencies as noted above. ROPS 18-19 is due to the State Department of Finance by February 1, 2018. Please see attached staff report for further details regarding the ROPS.

FINANCIAL STATEMENT:

APPROVED: _____

Finance

ACCOUNT NO. Pursuant to AB 1X 26/ AB 1484/ SB107

APPROVED: _____

MIS

ENVIRONMENTAL REVIEW:

Pursuant to Title 15 of the California Code of Regulations, Section 15378(b)(4), this item is not subject to the California Environmental Quality Act review because the recommended approvals are not considered a project and are governmental funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant environmental impact.

ORDINANCE: INTRODUCTION: ☐

FINAL ADOPTION: ☐

STAFF RECOMMENDATION:

Adopt the resolution and submit the ROPS 18-19 to the Oversight Board for approval and subsequent submittal to the State and the County.

BOARD / COMMISSION RECOMMENDATION:

Not Applicable.

ATTACHMENTS:

1. Staff Report
2. Resolution
3. Recognized Obligation Payment Schedule for t 19 of 22 July 1, 2018 through June 30, 2019 (ROPS 18-19)

CITY OF NATIONAL CITY
SUCCESSOR AGENCY STAFF REPORT

January 16, 2018

Item:

Resolution of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2018 through June 30, 2019 (ROPS 18-19) with Expenditures Totaling \$10,660,702.

Background:

Effective February 1, 2012, all redevelopment agencies in California were dissolved and "successor agencies" were established to wind down the affairs of the former redevelopment agencies under the direction of oversight boards. Health and Safety Code Section 34177 requires successor agencies to perform a number of functions, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each successor agency must submit the ROPS to its oversight board for approval, after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller's Office. ROPS 18-19 is due to the State Department of Finance by February 1, 2018.

Even though the ROPS covers an entire fiscal year, the standardized form distributed by the State Department of Finance (DOF) requires that obligation payment amounts be assigned to either the "A" portion of the fiscal year (July through December) or the "B" portion of the year (January through June). The assignment of expenses to one half or the other of the fiscal year is designed not to restrict when authorized amounts may be spent during the fiscal year, but to facilitate the distribution of redevelopment property tax trust fund (RPTTF) monies, the primary source of funding for the ROPS. RPTTF monies are distributed on June 1 and January 2 by the County Auditor and Controller; the June 1 distribution applies to expenditures expected to occur during the "A" portion of the upcoming ROPS cycle, while the January 2 distribution provides cash for the second half ("B" portion) of the fiscal year.

Should changes to the ROPS be necessary, each successor agency is allowed to amend the approved ROPS once. The amendment must be submitted to DOF by October 1, and successor agencies may only amend the amounts requested for payment of approved enforceable obligations that fall within the "B" portion of the year; no new obligations can be created through the amendment process.

Discussion:

The proposed Recognized Obligation Payment Schedule for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period for the National City Successor Agency totals \$10.66 million. Of that amount, \$9.84 million is allocated to the first half of the fiscal year and \$0.82 million to the second half of the fiscal year. Enforceable obligations for the ROPS 18-19 period include debt service on the Successor Agency's tax allocation bonds of \$4.33 million, environmental remediation and related planning and review costs of \$5.91 million for the park component of

the WI-TOD housing project, an administrative cost allowance of \$0.25 million, legal services totaling \$0.12 million, and various other operational costs totaling \$0.05 million.

Debt service: In September 2017 all of the Successor Agency's outstanding tax allocation bonds (Series 1999, 2005B and 2011) were refunded to reduce future interest costs on the bonds. For the ROPS 18-19 period, debt service payments on the 2017 refunding bonds will total \$4.33 million, which is \$0.87 million less than would have been due without the refunding. Overall, the refunding bonds will result in an annual average debt service savings of \$1.0 million through final maturity in August 2032.

WI-TOD (Paradise Creek) Housing Project: The first phase of the Westside Infill Transit-Oriented Development (WI-TOD) housing project, now known as the Paradise Creek apartment community, opened in the spring of 2017 with 109 units. Phase II of the project includes an additional 92 units and a four-acre public park. The housing portion of Phase II is expected to be completed in May 2018. Remediation planning (Item 12) and environmental oversight (Item 13) for the park portion of the project are in progress. As of early January 2018, a soils analysis and draft remediation plan have been completed and submitted to the Department of Toxic Substances Control (DTSC) for review and determination of the appropriate remediation course to follow for construction of the park. Meanwhile, a professional engineer (PE) was engaged to estimate the costs for site remediation and construction of the park based on the draft remediation plan and soils analysis. As of early January 2018, approximately \$20,000 has been invoiced by EnSafe out of the \$200,000 authorized for item 12 in ROPS 17-18. While additional invoices are expected, the amount is uncertain and consequently ROPS 18-19 shows a carry-over of \$180,000 for Item 12. In addition, based on cost estimates provided by the PE, an additional \$30,000 in RPTTF funding is requested for this item. Regarding Item 13, while invoices are expected during FY 2017-18 for DTSC's review of the soils analysis and draft remediation plan referred to above, none have been submitted as of early January 2018. Consequently, the full amount previously authorized for ROPS 17-18, \$100,000, is being carried over to ROPS 18-19. Actual expenditures for this item will not exceed \$100,000 over the two year period. Expenditures for Item 176 are dependent upon the outcome of DTSC's review and determination. It is unlikely that remediation work will be able to start before July 1, 2018. ROPS 18-19 includes \$5.6 million for Item 176 in the "A" portion: \$2.0 million of that amount is a carry-over from ROPS 17-18 (originally authorized in the "B" portion of ROPS 16-17 and subsequently carried over to ROPS 17-18) for environmental remediation of the park, and \$3.6 million is new RPTTF funding that is being requested based on the PE's analysis. The worst case scenario is that all of the soil within 3 feet of the project improvements would need to be excavated and hauled to a Class 1 landfill out of state. If that is the course of action that would be required by DTSC, the total remediation cost is estimated to be \$5.6 million, which necessitates the request for the additional \$3.6 million in RPTTF funding.

Administrative Cost Allowance: The administrative cost allowance is governed by Health and Safety Code (HSC) section 34171 (b) and is calculated based on what is termed "the adjusted Redevelopment Property Tax Trust Fund (RPTTF) distribution" from the prior year. The adjusted RPTTF distribution equals the RPTTF revenue distributed for the prior ROPS year less the prior year's authorized administrative cost allowance (ACA) and less any city loan repayments. This adjusted RPTTF amount is then multiplied by 3%. The 2017-18 adjusted RPTTF for the National City Successor Agency is \$4.3 million. When multiplied by 3%, it would result in an ACA for ROPS 18-19 of \$0.13 million. This calculated amount is less, however, than the minimum provided for in redevelopment dissolution law. The minimum ACA is \$250,000 annually, but may

not exceed 50% of the adjusted RPTTF distribution. Based on the foregoing information, the ACA for ROPS 18-19 is set at \$250,000.

Legal Services: As was reported in the staff report for ROPS 17-18, barring any new issues that might arise, the Successor Agency has only one litigation matter remaining: the Affordable Housing Coalition v. Sandoval, et al case. In July, 2013, the Affordable Housing Coalition of San Diego County filed a lawsuit in the Sacramento County Superior Court against the City of National City in its capacity as the Successor Agency to the Community Development Commission of National City, as well as other cities/successor agencies in San Diego County, claiming that 1) the statutes under the former Redevelopment Law imposing affordable housing obligations upon redevelopment agencies created enforceable obligations under the redevelopment dissolution statutes, and 2) if enforceable obligations were not created, the dissolution statutes unconstitutionally impaired the obligations of contracts. In September, 2016, the Court ruled against the petitioner and in favor of the respondent cities/successor agencies. Judgment based upon this ruling was entered in November, 2016, but the ruling was appealed.

The cost of the litigation is being shared by eight agencies. ROPS 17-18, Item 179, included \$20,000 for the Successor Agency's share of the costs. In the Amended ROPS 17-18B, \$10,000 was added, bringing the authorized total spending for this obligation to \$30,000. To date, \$14,300 of the \$30,000 has been spent. While more expenses are expected to be incurred through the end of the ROPS 17-18 period, the amount is uncertain. Consequently, ROPS 18-19 includes a request to carry over the as yet unspent balance of \$15,700. If more than the \$30,000 authorized for this item over the two year period is needed, a request for additional funds will be presented in September 2018 as part of the amended ROPS process.

In addition to the \$15,700 noted above, ROPS 18-19 requests \$109,000 for legal services (spread across Items 144, 146, 147, and 167) that will provide subject matter expertise to ensure compliance with agreements entered into by the former redevelopment agency and for active environmental remediation activities.

Other Operational Costs: Other operational costs of \$47,000 include amounts for environmental monitoring services arising from agreements entered into by the former redevelopment agency (Items 110 and 111), and for financial services related to the tax allocation refunding bonds (Items 128 and 162).

Recommendation:

Adopt the resolution and direct staff to submit the ROPS 18-19 to the Oversight Board for approval and subsequent submittal to the State and the County.

Fiscal Impact Statement:

The expenditures for the items listed on ROPS 18-19 total \$10.7 million, \$8.3 million of which is proposed to be funded from RPTTF, and \$2.4 million from Reserve Balance (unspent RPTTF amounts from prior periods). The amount of new RPTTF projected to be available to the Successor Agency for ROPS 18-19 is \$14.4 million. If RPTTF funding projections are correct and if all of the items on the ROPS proposed to be funded by RPTTF are approved, approximately \$6.1 million would be available for distribution to the affected taxing entities as residual balance. The \$6.1 million would yield approximately \$0.5 million on the June 1, 2018 distribution date and \$5.6 million on January 2, 2019.